A Teleconference General Session of the Board of Directors was held on January 30, 2015. Meeting convened at 11:10 a.m.

BOARD MEMBERS PRESENT: Peter Cook, Rod R. Jensen, Ted Ladd, Dean S. Lewis, Linda Schmidt and Nancy Winters.

OTHERS PRESENT: James R. Webb, President/CEO; Bill Spaulding, Director of Electric Operations; Martell Brower, Director of Gas Operations; and Gay Petersen, Executive Assistant/HR.

James R. Webb informed that Board that Senator Dockstader has drafted a bill allowing a rate decrease without the mandatory 30-day customer notice required by the State.

James R. Webb reviewed his proposal to decrease natural gas rates by $0.1518 effective February 28, 2015.

A motion was made and seconded to approve the proposed natural gas rate decrease of $0.1518 effective February 28, 2015. Motion carried. Voting was unanimous.

James R. Webb discussed the need to increase propane rates by $0.2322 effective February 28, 2015.

A motion was made and seconded to approve the proposed propane rate increase of $0.2322 effective February 28, 2015. Motion carried. Voting was unanimous.

James R. Webb discussed all the current issues still under negotiations with Eagle Mountain and UAMPS. He informed the Board that Eagle Mountain is willing to pay $4,160,000 to Lower Valley Energy to purchase Eagle Mountain’s share of Horse Butte Wind Project.

Discussion was also held regarding Lower Valley Energy’s avoided costs for mid C and BPA Tier 2 power as projected by Steve Fisher.

James R. Webb requested that the Board not have a formal vote at this time until he can resolve pending issues with UAMPS. He did request that the Board members give him an informal indication of whether to continue with negotiations. It was the consensus of the Board to continue negotiations and have a formal vote by email later next week after some final issues are completed. Jim informed the Board that this project will need to be completed by February 13, 2015 in order to subscribe to BPA Resource Shaping Services (RSS) for an October 1, 2016 start date to take the power to load.

Meeting adjourned at 11:20 a.m.

Rod R. Jensen, Chairman
Nancy Winters, Secretary/Treasurer